

PROJECT OVERSIGHT REPORT

Human Resource Management System (HRMS)
Department of Personnel

Report as of Date:
June 2004

Project Manager: Brian Turner
Project Director: Tom Miller
Executive Sponsor: Gene Matt

MOSTD Staff: Tom Parma

Severity/Risk Rating: High (high severity, high risk)

Oversight: Level 3 – ISB

Staff Recommendations: ISB staff recommends that DOP take steps to address recommendation #21 included in the May 31st quality assurance report. The recommendation states: “Document the project contingency plan in detail for Release 1 immediately, and in strategic terms for the remaining releases, as soon as possible.”

Status:

Budget/Cost: The overall project is \$2,214 under budget. This budget information is updated monthly and was current as of 6/1/2004. The budget shown is for the project only and does not include debt service.

	Baseline (a)	Revised Baseline	Actual & Accrued to Date (b)	Estimate to Complete (c)	Estimate at Completion (d=b+c)	Variance (d-a)
Project Totals	47,530,204	N/A	16,502,589	31,025,401	47,527,900	2,214

Schedule: The overall project is 0.5 weeks behind schedule, down from a high of 2.75 weeks. The goal is to eliminate this variance by the July 1 testing milestone on the critical path. This information was current as of 6/25/2004:

Milestone	Description	Planned Start	Actual Start	Planned Finish	Actual Finish
Work Plan	All tasks defined, major project activities and deliverables scheduled, resource assignments made.	--	--	9/30/03	9/30/03
Phase I Planning	Configuration requirements, extensions, interfaces, reports, conversion requirements confirmed for Release 1.	--	--	2/29/04	2/29/04
Phase I Detailed Design & Configuration	SAP configured for Washington requirements; modifications, interfaces and reports designed; test plans developed.	3/1/04	3/1/04	6/30/04	
Phase I Testing & Training	All Release 1 functionality tested; training completed; processes implemented.	7/1/04		11/30/04	
Phase I Deployment Group 1	Phase I deployed to Group 1 agencies.	1/05		1/05	

Milestone	Description	Planned Start	Actual Start	Planned Finish	Actual Finish
Phase I Deployment Group 2	Phase I deployed to Group 2 agencies.	4/05		4/05	

Top 10 Risks: The following risks are those reported in the project manager's weekly status report of 6/25/2004. The "Top Ten Concerns" listed in the quality assurance report may be slightly different.

Risks	Impact	Mitigation Efforts
DIS/DOP's ability to support the system	High	<ul style="list-style-type: none"> Identify a resource/skills gap with DOP/DIS resources (<i>Completed</i>) Request DIS meet FTE requirements for production build (<i>Completed</i>) Require DIS to conduct a skills assessment (<i>In process</i>) Change resources to fill the gap (<i>In process</i>) Monitor DIS/DOP productivity closely (<i>Pending</i>)
Integration issues with Fortress	High	<ul style="list-style-type: none"> Continue to work with DIS and Accenture/SAP on troubleshooting integration issues with Fortress (<i>In process</i>) Added Fortress and reverse proxy experts to team (<i>Completed</i>)
Closing the schedule variance	High	<ul style="list-style-type: none"> Increase staffing (<i>Completed</i>) Increase over-time (<i>Completed</i>) Continue to monitor (<i>In process</i>) Document contingency plans (<i>In process</i>) – See QA recommendation #21
Pay/1's ability to support Release 1 roll-out approach	High	<ul style="list-style-type: none"> Documented Pay/1 issues and assigned due dates (<i>Completed</i>) Formed work group to resolve Pay/1 issues (<i>Completed</i>) Test Pay/1's ability to remove agencies from payroll (<i>Completed</i>) Resolve specific Pay/1 issues (<i>In process</i>) Cost how much effort/money it would take to modify Pay/1 for HRMS (<i>Pending</i>)
Mitigating end users' loss of ad-hoc reporting after "Go Live"	Medium	<ul style="list-style-type: none"> Developing a cross-walk between current data warehouse fields and Business Warehouse (BW) fields (<i>Completed</i>) Considering a survey of agencies to inventory ad-hoc queries (<i>In process</i>) Compare inventory of queries to existing BW reports to find gaps (<i>In process</i>) Identify impact and resource alternatives (<i>Pending</i>)
Defining the Chart of Accounts structure	Medium	<ul style="list-style-type: none"> Conducting sub-sub-object analysis (<i>Completed</i>) Developing reporting strategy (<i>Completed</i>) Bringing Pat Sanborn in to help with agency issues (<i>Completed</i>) Meet with agencies to target specific reporting issues (<i>In process</i>)

Risks	Impact	Mitigation Efforts
Fostering agency acceptance of the HRMS financial reporting strategy	Medium	<ul style="list-style-type: none"> Complete Chart of Accounts Structure (<i>Completed</i>) Add OFM resource to help structure the change management efforts (<i>Completed</i>) Introduce new role to training and change management efforts (<i>In process</i>) Begin one-on-one agency meetings on this topic, addressing agency concerns report-by-report (<i>Pending</i>) Monitor agency acceptance of our approach (<i>In process</i>)
Agency turn-around time for Interfaces	Medium	<ul style="list-style-type: none"> Communicate when interface specifications will be available and when testing is likely to start (<i>Completed</i>) Review functional specification template with agencies (<i>Completed</i>) Define mechanism to track agency progress (<i>Completed</i>) Work through agency resistance (<i>In process</i>) Begin publishing functional specifications (<i>In process</i>)
Improving team's understanding of critical path	Medium	<ul style="list-style-type: none"> Organized critical path planning meeting with team leads every other week (<i>Completed</i>) Building critical path overview for project team (<i>In process</i>)
Improving productivity of project resources	Medium	<ul style="list-style-type: none"> Tracking team productivity on a weekly basis (<i>Ongoing</i>) Added several contractors to shore up State's RICEF team (<i>Completed</i>) Realigned work within RICEF team to mitigate Accenture/State productivity issues (<i>Completed</i>) Adding additional State staff for test preparation to leverage staff tied up in configuration longer than expected (<i>Completed</i>)

Issues/Risks:

- Schedule: The project is 0.5 weeks behind schedule. Efforts to reduce this variance have been reasonably successful. The following project activities are late: Software Configuration 0.5 weeks; Interfaces 0.5 days; Conversion 0.5 weeks, and System Test Planning 2 weeks (this last item is not on the critical path). Additional schedule pressure will come during requirements validation (see Scope below).
- Budget/Cost: DOP is projecting using 52% of the change budget. The change budget was included to cover requirements that DOP knew would not be identified until this point of the project. See Funding below.
- Scope:
 - Requirements: The requirements have been finalized. The plan calls for DOP and other agencies to validate that the requirements are satisfied throughout the configuration. Configuration tasks may be adjusted based on agency validation during configuration.
 - Reports: During requirements gathering, the agencies identified a much greater number of required reports than was anticipated and planned in the original project schedule. The project team has reduced the number to a more manageable level and will leverage the business warehouse functionality to increase agency and end-user reporting capabilities. If the number of reports cannot be reduced in this manner, it poses a risk that may impact the schedule.

- Change Requests: No issues/risks. All change requests submitted to date are within the overall project budget. The schedule contained contingency for these change requests.
- Resources: There are no significant issues/risks to report.
- Project Management/Processes: There are no significant issues/risks to report.
- Other
 - HCA Support: The planned Health Care Authority (HCA) Insurance System Replacement Project (ISRP) will not be implemented by the time HRMS is operational. HCA's Public Employees' Benefits Board (PEBB) runs on the DOP legacy payroll system (PAY1) and is maintained by DOP; PAY1 will have to remain operational until such time as HCA can implement a PEBB replacement system. DOP and HCA continue planning for DOP's continued support for PEBB as well as how HRMS will interface with PAY1/PEBB instead of the planned ISRP.
 - Technical: DOP, Accenture, and DIS continue attempting to resolve access and authentication issues for HRMS through the state's security layer. **See Top 10 Risks** above.
 - Skills Transfer & Training: DIS operational staff does not yet have the skills necessary to support the HRMS application in a production environment and may be late obtaining these skills. This is due to: several cancelled classes since last February; level of vendor knowledge; and DIS staff availability.

Status:

- Life Cycle Stage: The project has completed the planning and assessment phase (requirements confirmation and design) on time. Since March 1 the project has been in the Detailed Design and Configuration phase. This involves configuring the system to satisfy the detailed requirements and validate those requirements. This phase is scheduled to complete on June 30, 2004 so that agency testing can begin July 1, 2004.
- Schedule: The project is approximately one-half week behind schedule.

Background Information

Description: The Personnel System Reform Act of 2002 (SHB1268) necessitates extensive changes to Washington State's Civil Service System. SHB1268 establishes a January 1, 2005 deadline to begin implementation of a new classification system, Civil Service Reform (CSR), and a July 1, 2005 deadline for implementation of the first Collective Bargaining (CB) agreements. By these dates, DOP's HRMS must be able to support the functionality required by the act. DOP is responsible for civil service reform and OFM is responsible for collective bargaining.

DOP's systems support over 65,000 state employees and over 2,000 authorized system users. The systems are over 25 years old, technically complex, costly to modify, and lack the functionality and flexibility to support modern HR practices and many of the anticipated requirements for CSR/CB. The existing systems also support over 200 interfaces to other state and external systems.

DOP/OFM presented the findings of their feasibility study and received approval from the Board at the January 2003 meeting to proceed with the acquisition of integration services, software,

and hardware to begin replacing the existing HRIS system. The RFP was released on April 16, 2003 and responses were due May 19, 2003. Two vendors submitted proposals, the team of Accenture/SAP and the team of IBM/PeopleSoft. Both continued through to announcement of the Apparently Successful Vendor (ASV). Demonstrations and presentations were conducted the week of June 9th. Best and final offers were due June 30, 2003. Accenture/SAP was named the ASV on July 7, 2003.

The major project phases are:

- Phase I – Implement core HR functionality required to support CSR/CB.
 - Group 1 – agencies not subject to CB.
 - Group 2 – remaining agencies.
- Phases II & III – Implement additional HR functionality (recruitment, training, and performance evaluation).

Technology: The proposed technology is:

- SAP's core ERP product, R/3
- SAP's data warehouse product, Business Warehouse
- Microsoft Windows OS
- Microsoft SQL Server DBMS
- Hewlett-Packard Proliant servers
- Accenture implementation services

Budget: The budget for the 03-05 Biennium authorizes DOP to enter into a financing contract for up to \$32 million (later raised to \$39 million during the 2004 legislative session), not including interest, for not more than 12 years to purchase, develop, and implement the new HRMS. The legislature also allocated an additional \$10 million from DIS rebates to the project. The state budget states that DOP and OFM...

...shall jointly report to the legislature by January 15, 2004, on progress toward implementing the [HRMS]. The report shall include a description of mitigation strategies employed to address the risks related to: Business requirements not fully defined at the project outset; short time frame for system implementation; and delays experienced by other states. The report shall assess the probability of meeting the system implementation schedule and recommend contingency strategies as needed. The report shall establish the timelines, the critical path, and the dependencies for realizing each of the benefits articulated in the system feasibility study....